

EXHIBIT “C”

American Court Reporting
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IN THE FEDERAL COURT OF
 THE MIDDLE DISTRICT OF ALABAMA
 NORTHERN DIVISION

CIVIL ACTION NUMBER
 2:06CV 377-WKW

PIONEER SERVICES, INC.,
 Plaintiff,

vs

AUTO OWNERS INSURANCE
 COMPANY,
 Defendant

VIDEOTAPE DEPOSITION TESTIMONY OF:
 BILL REAVES

January 25, 2007
 10 a m

COURT REPORTER:
 APRIL R. BENDER, CSR

1 offered in evidence, or prior thereto
 2 In accordance with Rule 5(d) of the
 3 Alabama Rules of Civil Procedure, as amended,
 4 effective May 15, 1988, I, April R. Bender,
 5 am hereby delivering to MR. HARRY HALL the
 6 original transcript of the oral testimony taken
 7 January 25, 2007, along with exhibits
 8 Please be advised that this is the same
 9 and not retained by the Court Reporter, nor
 10 filed with the Court
 11
 12
 13
 14

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1 STIPULATION
 2 IT IS STIPULATED AND AGREED by and
 3 between the parties through their respective
 4 counsel that the deposition of BILL REAVES may
 5 be taken before April R. Bender, Notary
 6 Public, State at Large, at the Law Offices of
 7 Morrow, Romine & Pearson, 122 South Hull Street,
 8 Montgomery, Alabama 36103, on January 25, 2007,
 9 commencing at approximately 10 a m.
 10 IT IS FURTHER STIPULATED AND AGREED
 11 that the signature to and the reading of the
 12 deposition by the witness is waived, the
 13 deposition to have the same force and effect as
 14 if full compliance had been had with all laws
 15 and rules of Court relating to the taking of
 16 depositions
 17 IT IS FURTHER STIPULATED AND AGREED
 18 that it shall not be necessary for any
 19 objections to be made by counsel to any
 20 questions, except as to form or leading
 21 questions and that counsel for the parties may
 22 make objections and assign grounds at the time
 23 of trial or at the time said depositions is

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1 A Eight, maybe ten hours.
 2 Q Any damage to your house?
 3 A No
 4 Q Do you recall how many claims you
 5 had come in as a result of Ivan?
 6 A No, I do not
 7 Q Was it more than 100?
 8 A There were thousands of claim that
 9 came in
 10 Q For territory four?
 11 A. The claims aren't assigned to a
 12 specific territory during a storm situation
 13 Q I guess what I'm asking: Within
 14 territory four, do you have an idea of how many
 15 claims were made for damages from Ivan?
 16 A Hundreds.
 17 Q How do they get assigned out under
 18 a situation where you've got that many claims
 19 coming in? Is it any different than the normal
 20 way they get assigned to you?
 21 A They're assigned to an independent
 22 adjuster. A DO inspects the damages
 23 Q How are those independent

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1 adjusters selected?
 2 A It's usually predetermined that a
 3 certain adjuster -- adjusting firm will handle a
 4 certain county or a certain territory.
 5 Q They get contacted right after the
 6 storm, I assume; is that right?
 7 A Yes.
 8 Q In our depositions we took earlier
 9 this month, South Central Agency described a
 10 packet of loss claim forms that are sent
 11 prepared to them with all of their insureds'
 12 names and information on them. Are you familiar
 13 with that practice?
 14 A It's called a preprinted loss
 15 notice.
 16 Q And the preprinted loss notice --
 17 are you involved in getting those to the agents
 18 in your territory?
 19 A No, I'm not.
 20 Q Does it happen automatically?
 21 A It's done at corporate.
 22 Q Do you help process those in any
 23 way?

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1 A The loss notices?
 2 Q Yes, sir.
 3 A Yes.
 4 Q How? What do you do?
 5 A When they're returned to us and a
 6 claim is being made, we review the claim,
 7 determine which adjuster -- adjusting firm it's
 8 assigned to, and put a reserve and open the
 9 coverages.
 10 Q Okay. Are the claims somehow
 11 tracked by your territory? Is there a way to
 12 see how many came out of a county or a territory
 13 or a given area?
 14 A I don't know if there is or not.
 15 I don't know.
 16 Q Are the claim numbers that are
 17 assigned -- is there a formula for how that
 18 claim number is assigned? Does one part of it
 19 mean territory four, one part means what year it
 20 came in or something like that?
 21 A The last digits on the claim
 22 number indicate the year that the claim was
 23 reported.

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1 Q Turn over to the front of Exhibit
 2 10 for me. And that would be that dash 04;
 3 right?
 4 A That's correct.
 5 Q Okay. The rest of the numbers, do
 6 they mean anything to you?
 7 A 37 is the branch number, which is
 8 the Montgomery branch.
 9 Q What about the 4873?
 10 A That's the claim -- the internal
 11 guts of the claim number.
 12 Q Is that sequential? Do those go
 13 in order?
 14 A They're in order.
 15 Q So that's the 4,873rd claim for
 16 areas 37 in the year 2004?
 17 A That's correct.
 18 Q Okay. Thank you.
 19 MR PEARSON: Let me put something
 20 on the record. I think that actual page is Bate
 21 stamped AO 72. Just for the record, it's not an
 22 Auto Owners page, but a page run by my
 23 secretary.

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1 that's stamped across the top?
 2 A. Yes, it is.
 3 Q. From that, would you agree that
 4 that document was delivered to Auto Owners on
 5 September 17, 2004?
 6 A. I can't say that it was or was
 7 not.
 8 Q. How would you find out?
 9 A. You may could look in the computer
 10 system and see when the claim was set up.
 11 Q. All right. Well --
 12 A. The reason I'm saying that is I
 13 don't know if the date -- we'd just received a
 14 new fax machine, so I don't know if the date had
 15 been set in the machine or not at this time.
 16 That machine came in within a day or two of
 17 Hurricane Ivan. The old machine was getting
 18 old, and we knew we would soon be getting a lot
 19 of losses. So I can't verify the date -- that
 20 the date was set correct in that.
 21 Q. Is there anything in the claims
 22 file that you could look at to determine the
 23 date that the file got set up or the claim was

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1 reported?
 2 A. I don't know of anything. There
 3 may be something in there. I don't know.
 4 Q. All right. What date do you think
 5 that the claim was reported?
 6 A. It was probably reported on the
 7 17th.
 8 Q. Okay. Do you have any reason to
 9 believe it wasn't report on the 17th?
 10 A. I don't know of anything that
 11 would make me think that it was not reported at
 12 the time.
 13 Q. Certainly wasn't reported before
 14 then because it didn't happen until the 16th, at
 15 night?
 16 A. I would think that would be
 17 accurate.
 18 Q. All right. Did you ever talk to
 19 Ashley Sasser about this catastrophe loss
 20 notice?
 21 A. No, I didn't.
 22 Q. Did you review it?
 23 A. Not on the 17th.

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1 Q. Did you review it ever?
 2 A. Yes, I did.
 3 Q. What did you do with it when you
 4 reviewed it?
 5 A. I just looked at it to see what
 6 was claimed as damaged on it and what the
 7 coverages were.
 8 Q. And how do you see what was
 9 claimed of damage? Are you saying look to see
 10 if the building is damaged or it's a contents
 11 claim? Is there more detail to this than these
 12 two pages?
 13 A. That's all there is. There's a
 14 general description in the top --
 15 Q. Oh, I see.
 16 A. -- where they list a little more
 17 specific than building and contents, and none,
 18 light, medium, and heavy damages
 19 Q. Was the damage for both of the
 20 buildings under this policy indicated as medium?
 21 A. Yes, they were.
 22 Q. Were the contents damage for both
 23 of those noted as medium?

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1 A. They were.
 2 Q. All right. When was the next time
 3 something happened on this claim after this loss
 4 notice was faxed up on the 17th of September?
 5 A. It was assigned shortly after to
 6 GAB.
 7 Q. All right.
 8 A. In Mobile
 9 Q. Why was GAB assigned this file?
 10 Any idea?
 11 A. They were assisting us in handling
 12 the overwhelming amount of claims that we
 13 received.
 14 Q. Did Auto Owners use anybody
 15 besides GAB Robbins?
 16 A. Yes, we did.
 17 Q. Who else?
 18 A. Catastrophe Specialists, or CSI, I
 19 think, is the abbreviation.
 20 Q. All right. Do you know when
 21 something was done by GAB Robbins or when the
 22 next action was taken? After the claim form was
 23 faxed in on the 17th and was then assigned

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